



Strategic Plan & FY2010 Budget Update

July 8, 2009

Today's Presentation...

- Request Governing Board approval of strategic plan
- Draft FY2010 Budget Update
- DED Work Plan Review
- Discussion of Reserves Levels
- Request Governing Board approval of proposed millage rates



Strategic Plan Update Schedule

- February GB Workshop – WPB
- March Governing Board Workshop -Clewiston
- May Governing Board Workshop - WPB
- June presentation to WRAC - Broward
- June Governing Board draft plan overview - Naples
- July – request approval of updated plan



Strategic Plan Themes

- **Economic uncertainty and revenue impacts**
- **Focus on core levels of service**
- **Allocate resources to maintain core functions to meet statutory, legal, and flood control requirements**
- **Fund River of Grass land purchase**
- **Emphasize project completion**



Approval of Updated Strategic Plan

Staff Recommendation:

APPROVE A RESOLUTION OF THE GOVERNING BOARD OF THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT ADOPTING THE UPDATED 10 YEAR STRATEGIC PLAN OF THE DISTRICT FOR THE PURPOSE OF ESTABLISHING PRIORITIES, GOALS, STRATEGIES AND MILESTONES; PROVIDING AN EFFECTIVE DATE



Draft FY2010 Budget Update

Budget Adjustments from June:

July update \$1,485.2M

June draft \$1,468.4M

Change +\$ 16.8M

- Additions as result of:
 - Reflecting June 1 ad valorem estimates
 - Additional identified FY2009 fund balances



Update on Ad Valorem Estimates

Ad Valorem Comparison:

July Update \$459.3M

June Draft \$445.3M

Change: +\$ 14.0M

- Reduction of about \$66M from FY2009
- Reflects June 1 County Appraiser Estimates and continuation millage rates
- Does not reflect any % change tied to per capita personal income
- 5 counties have received July 1 certification extensions
- Counties received are comparable to June 1



Budget Adjustment Summary

- **ROG debt service payment**

	June	July
District/Okeechobee	26.3	34.5
Everglades	19.4	11.2
Total	45.7	45.7



Budget Adjustment Summary

- **Everglades +\$9.5M**
 - STA operations/monitoring/assessment
 - Structure Inspection/STA Structure Retrofit
 - Research/Exotics
 - Rotenberger Pump Station Construction
- **Monitoring +\$2.3M**
 - Estuaries, Kissimmee, CERP, LO, Water Supply
- **Baseline Maintenance/Support +\$5.0M**





FY2010 Draft Work Plan Review

Everglades Restoration Resource Area (ERRA)

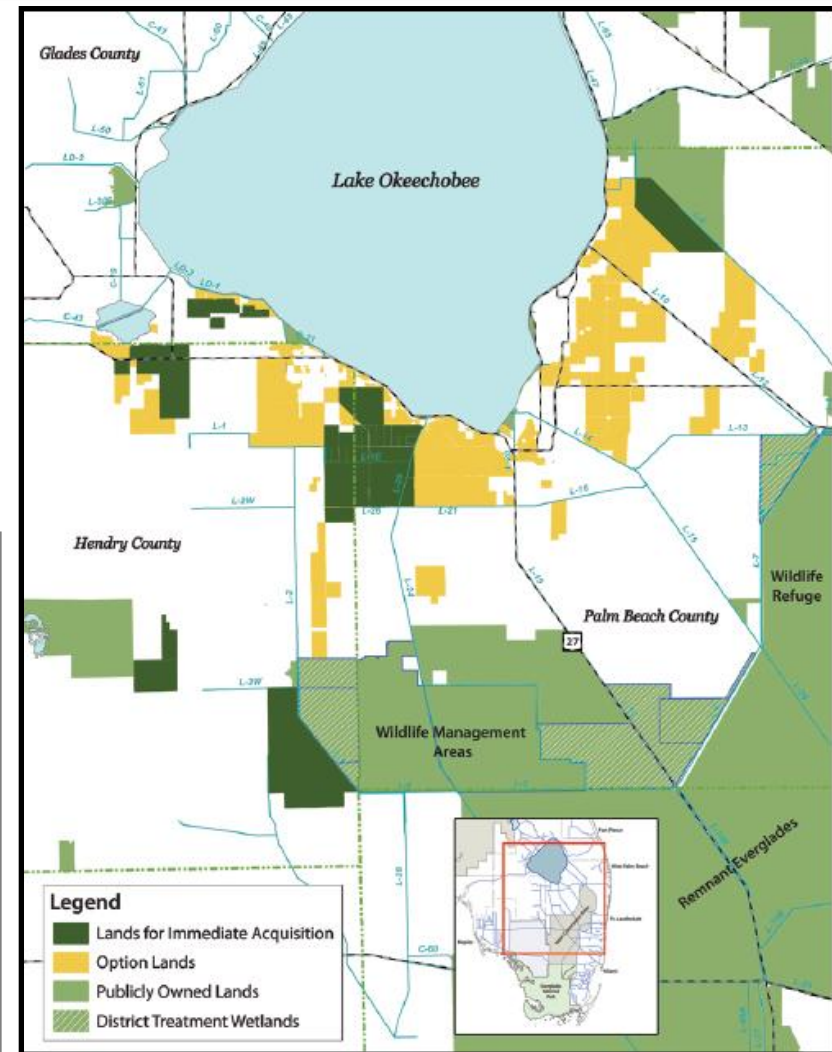
ERRA FY10 Work Plan Review

Key Projects/Activities Funded in Draft Budget:

- **River of Grass Land Acquisition**
 - Acquisition Cost = \$536.5M
 - Debt Service Payment = \$45.7M
- **C-111 Spreader Canal Project – Phase 1 Construction - \$34.5M**
- **Biscayne Bay Coastal Wetlands Project – Phase 1 Construction - \$11M**
- **Southern CREW Critical Project – Complete Land Acquisition and Design - \$10.5M**
- **North Palm Beach Project - Initiate Design of L-8 Pumps - \$1M**



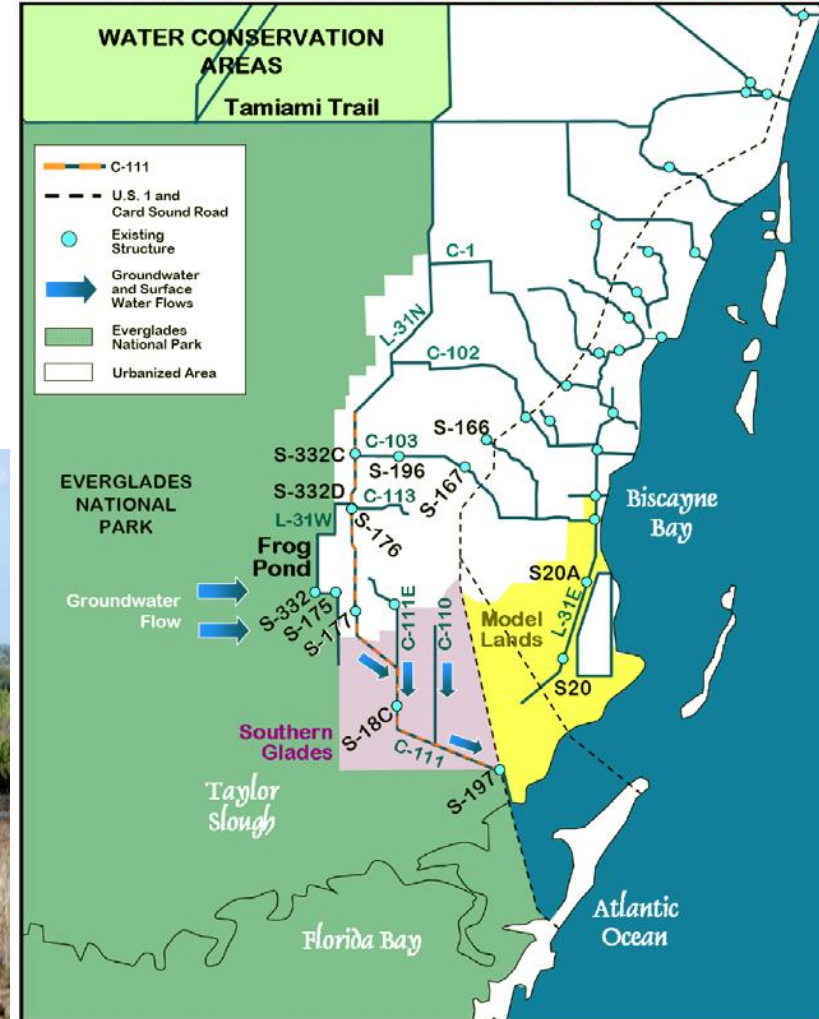
River of Grass Land Acquisition



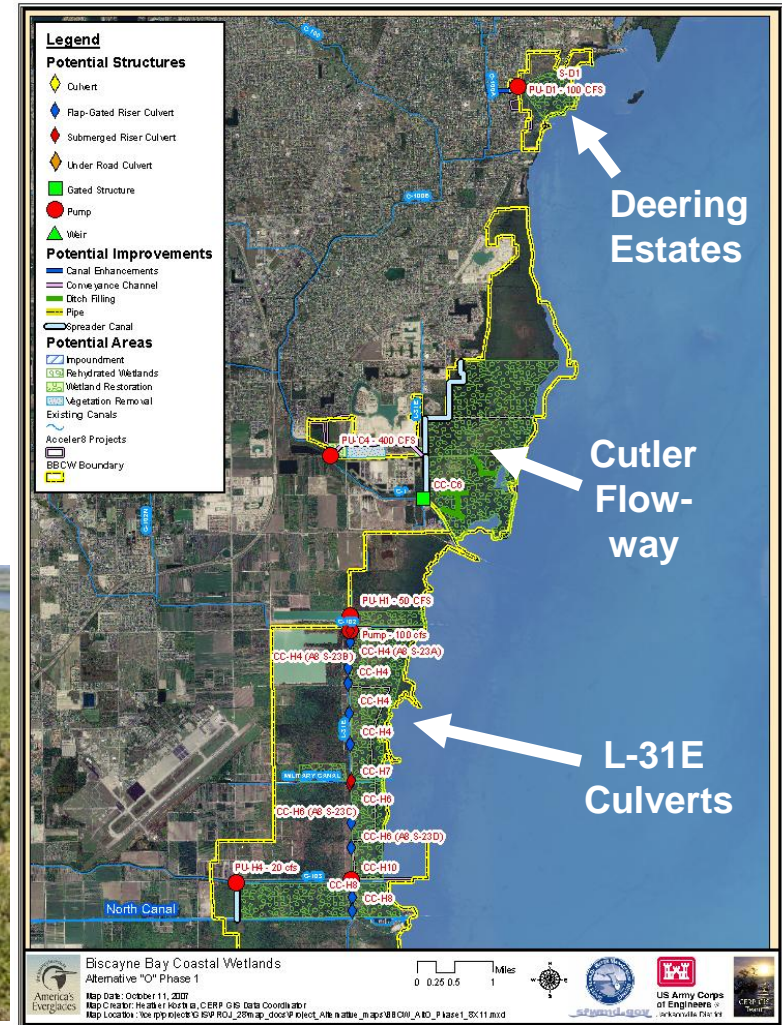
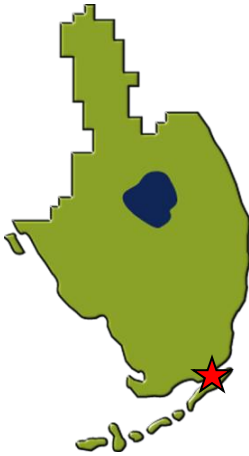
C-111 Spreader Canal Project – Phase 1 Construction



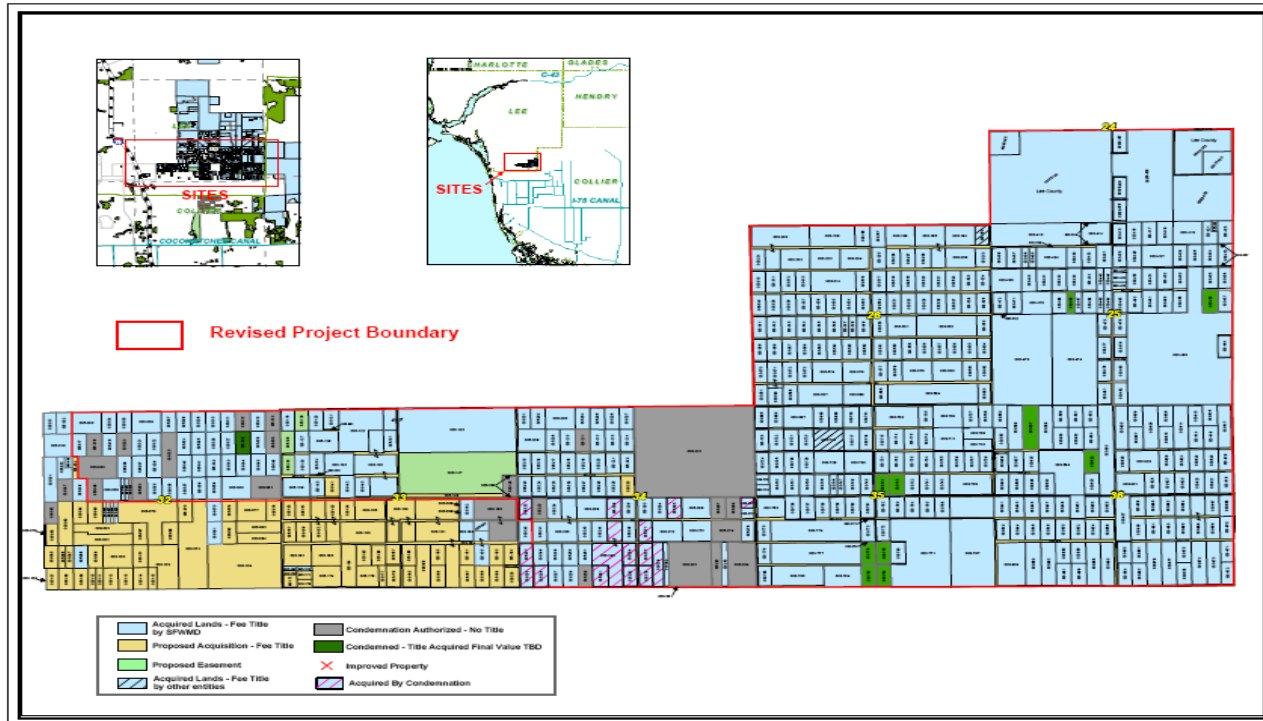
C-111 SPREADER CANAL WESTERN PROJECT EXISTING CONDITIONS



Biscayne Bay Coastal Wetlands – Phase 1 Construction

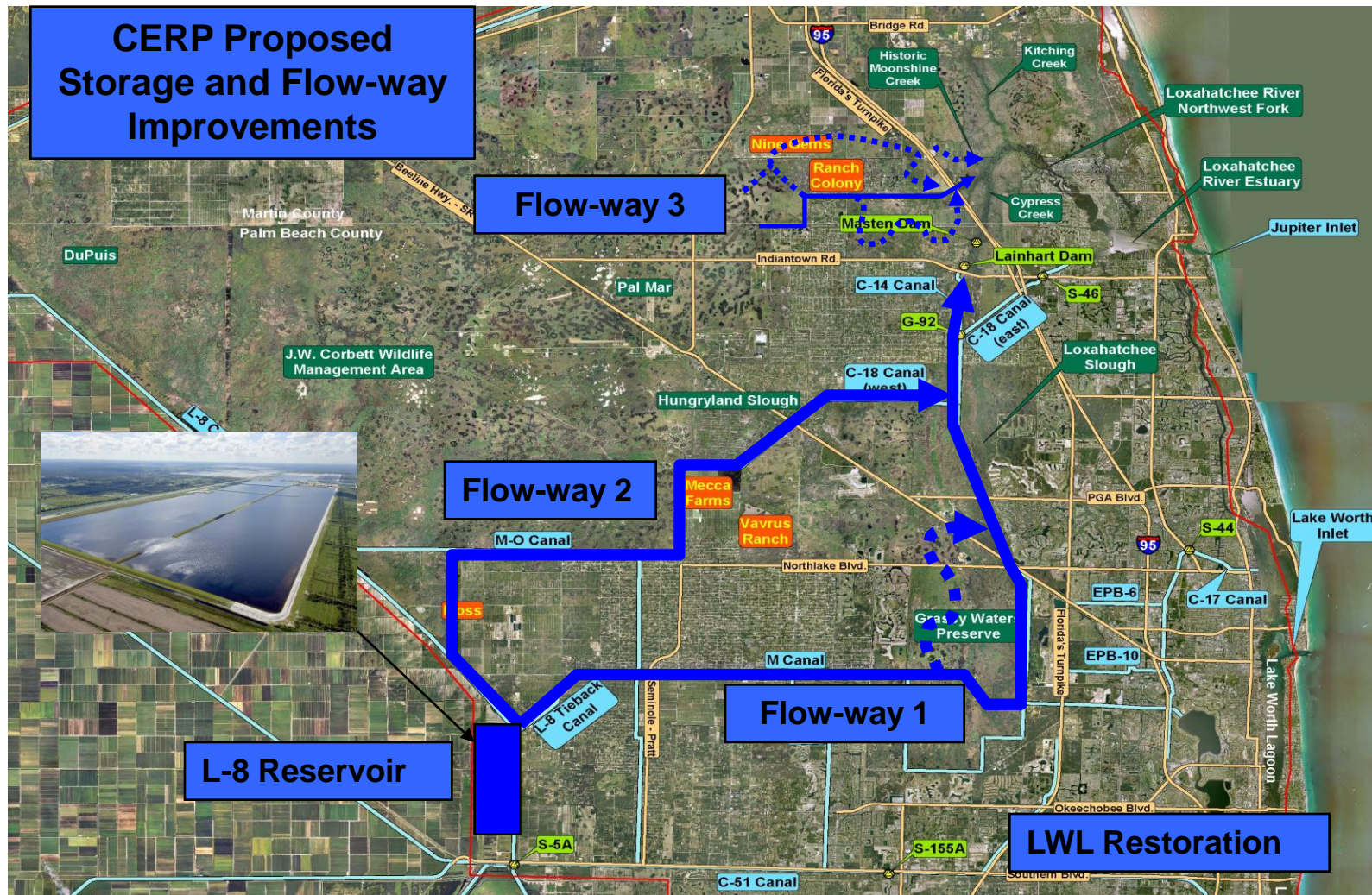


Southern CREW Critical Project - Complete Land Acquisition and Design



North Palm Beach Project - Initiate Design of L-8 Pumps

**CERP Proposed
Storage and Flow-way
Improvements**





FY2010 Draft Work Plan Review

District Everglades

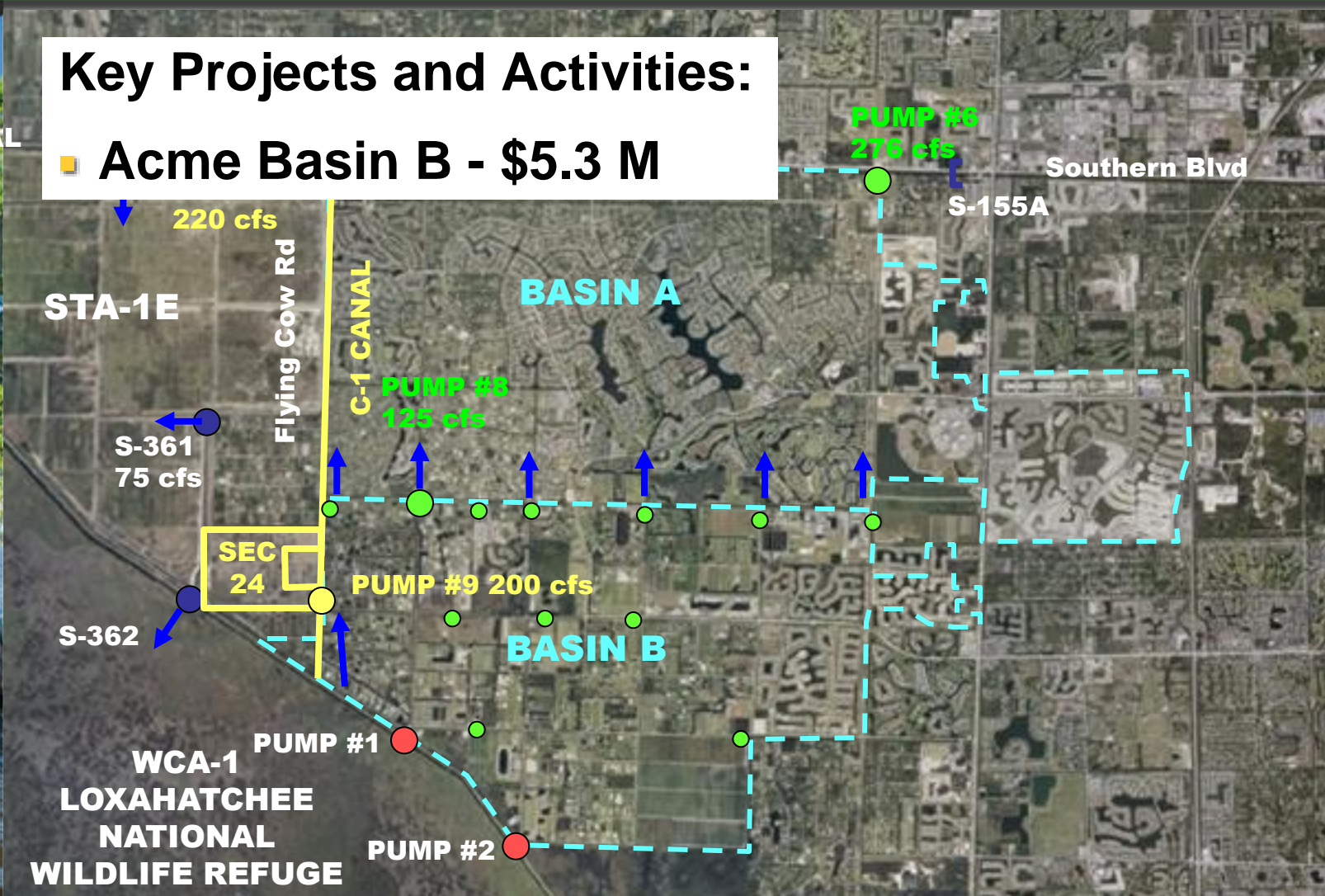
The map illustrates the Everglades Agricultural Area (EAA) and its surrounding regions. Key features include:

- Lake Okeechobee**: Located at the top of the map.
- South Florida Conservancy District**: Located to the west of the EAA.
- Water Control Districts**: East Beach Water Control District, West Palm Beach Canal, East Shore Water Control District, and South Shore Drainage District.
- Canals**: L-1, L-1 East, L-2, L-2W, L-3, L-3A, L-3B, L-3C, L-3D, L-3E, L-3F, L-3G, L-3H, L-3I, L-3J, L-3K, L-3L, L-3M, L-3N, L-3O, L-3P, L-3Q, L-3R, L-3S, L-3T, L-3U, L-3V, L-3W, L-3X, L-3Y, L-3Z, L-4, L-5, L-6, L-7, L-8, L-9, L-10, L-11, L-12, L-13, L-14, L-15, L-16, L-17, L-18, L-19, L-20, L-21, L-22, L-23, L-24, L-25, L-26, L-27, L-28, L-29, L-30, L-31, L-32, L-33, L-34, L-35, L-36, L-37, L-38, L-39, L-40, L-41, L-42, L-43, L-44, L-45, L-46, L-47, L-48, L-49, L-50, L-51, L-52, L-53, L-54, L-55, L-56, L-57, L-58, L-59, L-60, L-61, L-62, L-63, L-64, L-65, L-66, L-67, L-68, L-69, L-70, L-71, L-72, L-73, L-74, L-75, L-76, L-77, L-78, L-79, L-80, L-81, L-82, L-83, L-84, L-85, L-86, L-87, L-88, L-89, L-90, L-91, L-92, L-93, L-94, L-95, L-96, L-97, L-98, L-99, L-100, L-101, L-102, L-103, L-104, L-105, L-106, L-107, L-108, L-109, L-110, L-111, L-112, L-113, L-114, L-115, L-116, L-117, L-118, L-119, L-120, L-121, L-122, L-123, L-124, L-125, L-126, L-127, L-128, L-129, L-130, L-131, L-132, L-133, L-134, L-135, L-136, L-137, L-138, L-139, L-140, L-141, L-142, L-143, L-144, L-145, L-146, L-147, L-148, L-149, L-150, L-151, L-152, L-153, L-154, L-155, L-156, L-157, L-158, L-159, L-160, L-161, L-162, L-163, L-164, L-165, L-166, L-167, L-168, L-169, L-170, L-171, L-172, L-173, L-174, L-175, L-176, L-177, L-178, L-179, L-180, L-181, L-182, L-183, L-184, L-185, L-186, L-187, L-188, L-189, L-190, L-191, L-192, L-193, L-194, L-195, L-196, L-197, L-198, L-199, L-200, L-201, L-202, L-203, L-204, L-205, L-206, L-207, L-208, L-209, L-210, L-211, L-212, L-213, L-214, L-215, L-216, L-217, L-218, L-219, L-220, L-221, L-222, L-223, L-224, L-225, L-226, L-227, L-228, L-229, L-230, L-231, L-232, L-233, L-234, L-235, L-236, L-237, L-238, L-239, L-240, L-241, L-242, L-243, L-244, L-245, L-246, L-247, L-248, L-249, L-250, L-251, L-252, L-253, L-254, L-255, L-256, L-257, L-258, L-259, L-260, L-261, L-262, L-263, L-264, L-265, L-266, L-267, L-268, L-269, L-270, L-271, L-272, L-273, L-274, L-275, L-276, L-277, L-278, L-279, L-280, L-281, L-282, L-283, L-284, L-285, L-286, L-287, L-288, L-289, L-290, L-291, L-292, L-293, L-294, L-295, L-296, L-297, L-298, L-299, L-300, L-301, L-302, L-303, L-304, L-305, L-306, L-307, L-308, L-309, L-310, L-311, L-312, L-313, L-314, L-315, L-316, L-317, L-318, L-319, L-320, L-321, L-322, L-323, L-324, L-325, L-326, L-327, L-328, L-329, L-330, L-331, L-332, L-333, L-334, L-335, L-336, L-337, L-338, L-339, L-340, L-341, L-342, L-343, L-344, L-345, L-346, L-347, L-348, L-349, L-350, L-351, L-352, L-353, L-354, L-355, L-356, L-357, L-358, L-359, L-360, L-361, L-362, L-363, L-364, L-365, L-366, L-367, L-368, L-369, L-370, L-371, L-372, L-373, L-374, L-375, L-376, L-377, L-378, L-379, L-380, L-381, L-382, L-383, L-384, L-385, L-386, L-387, L-388, L-389, L-390, L-391, L-392, L-393, L-394, L-395, L-396, L-397, L-398, L-399, L-400, L-401, L-402, L-403, L-404, L-405, L-406, L-407, L-408, L-409, L-410, L-411, L-412, L-413, L-414, L-415, L-416, L-417, L-418, L-419, L-420, L-421, L-422, L-423, L-424, L-425, L-426, L-427, L-428, L-429, L-430, L-431, L-432, L-433, L-434, L-435, L-436, L-437, L-438, L-439, L-440, L-441, L-442, L-443, L-444, L-445, L-446, L-447, L-448, L-449, L-450, L-451, L-452, L-453, L-454, L-455, L-456, L-457, L-458, L-459, L-460, L-461, L-462, L-463, L-464, L-465, L-466, L-467, L-468, L-469, L-470, L-471, L-472, L-473, L-474, L-475, L-476, L-477, L-478, L-479, L-480, L-481, L-482, L-483, L-484, L-485, L-486, L-487, L-488, L-489, L-490, L-491, L-492, L-493, L-494, L-495, L-496, L-497, L-498, L-499, L-500, L-501, L-502, L-503, L-504, L-505, L-506, L-507, L-508, L-509, L-510, L-511, L-512, L-513, L-514, L-515, L-516, L-517, L-518, L-519, L-520, L-521, L-522, L-523, L-524, L-525, L-526, L-527, L-528, L-529, L-530, L-531, L-532, L-533, L-534, L-535, L-536, L-537, L-538, L-539, L-540, L-541, L-542, L-543, L-544, L-545, L-546, L-547, L-548, L-549, L-550, L-551, L-552, L-553, L-554, L-555, L-556, L-557, L-558, L-559, L-560, L-561, L-562, L-563, L-564, L-565, L-566, L-567, L-568, L-569, L-570, L-571, L-572, L-573, L-574, L-575, L-576, L-577, L-578, L-579, L-580, L-581, L-582, L-583, L-584, L-585, L-586, L-587, L-588, L-589, L-590, L-591, L-592, L-593, L-594, L-595, L-596, L-597, L-598, L-599, L-600, L-601, L-602, L-603, L-604, L-605, L-606, L-607, L-608, L-609, L-610, L-611, L-612, L-613, L-614, L-615, L-616, L-617, L-618, L-619, L-620, L-621, L-622, L-623, L-624, L-625, L-626, L-627, L-628, L-629, L-6

District Everglades Program FY10 Work Plan Review

Key Projects and Activities:

■ Acme Basin B - \$5.3 M



District Everglades Program FY10 Work Plan Review

Key Projects and Activities:

- Rotenberger
150CFS
Pump Station
- \$1.8M

Proposed Site
of New
Pump Station



District Everglades Program FY10 Work Plan Review

Key Projects and Activities:

- STA Optimization and Performance - \$4.5 M
- Everglades Source Control Program - \$3.9 M
- Wading Bird Surveys - \$225K





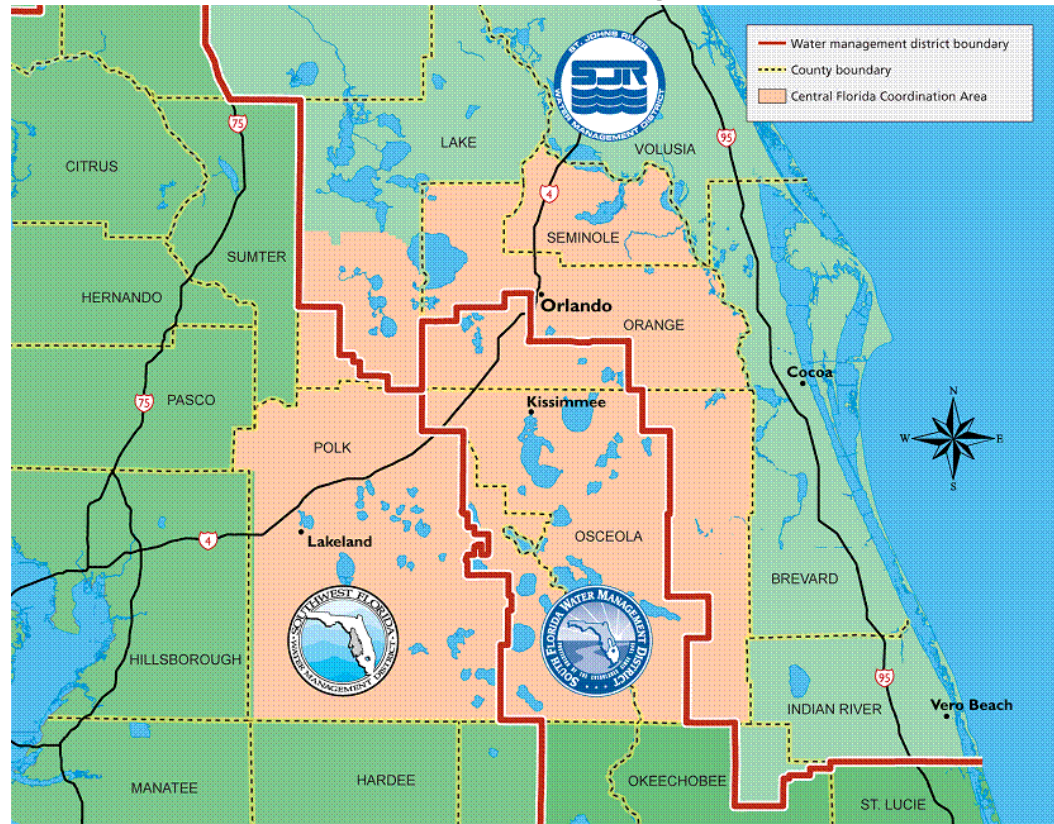
FY2010 Draft Work Plan Review

Water Supply

Water Supply Program FY2010 Work Plan Review

Key Projects and Activities:

- **STOPR – Kissimmee Study - \$500K**



Water Supply Program FY10 Work Plan Review

Key Projects and Activities:

- C-43 Water Reservation Rulemaking - \$100K
- Alternative Water Supply Grants - \$12.3M
 - State \$3.7M
 - District Match \$8.6M
- Central Florida – Rulemaking - \$50K



Water Reuse Plant



FY2010 Draft Work Plan Review

Coastal Watersheds

Coastal Watersheds Program FY10 Work Plan Review

Key Projects and Activities:

- Implementation of Northern Everglades Caloosahatchee River Watershed Protection Plan - \$9.8M
- Implementation of Northern Everglades St. Lucie River Watershed Protection Plan - \$8M



C-43 Caloosahatchee River



Coastal Watersheds Program FY10 Work Plan Review

Key Projects and Activities:

- Assist local governments with implementation of flood protection, stormwater, restoration, and water quality improvements - \$18M
- Improve database and models for Interim Update of Northwest Fork of Loxahatchee River Restoration Plan - \$580K



Coastal Watersheds Program FY10 Work Plan Review

Key Projects and Activities:

- Conduct applied research and model development of Florida Bay for MFL update
- \$955K





FY2010 Draft Work Plan Review

Modeling & Scientific Support

Modeling and Scientific Support FY10 Work Plan Review

Key Projects/Activities:

- **Regional Simulation Modeling (RSM) Water Quality Module, Graphical User Interface (GUI), Applications, Maintenance and Enhancements - \$682K**
- **Regional Water Quality Monitoring Network (Lake Okeechobee thru Florida Bay) - \$1.8M**



Modeling and Scientific Support FY10 Work Plan Review

Key Projects/Activities:

- Environmental Services Laboratory - \$5.7M





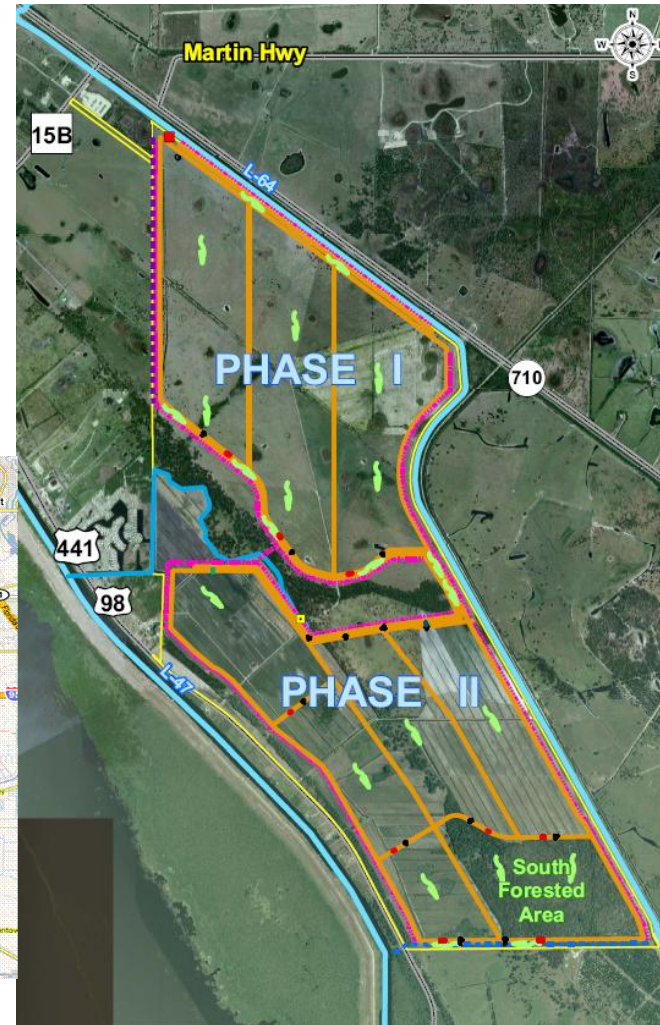
FY2010 Draft Work Plan Review

Lake Okeechobee

Lake Okeechobee Program FY10 Work Plan Review

Key Projects and Activities:

- Lakeside Ranch Stormwater Treatment Area Design/Construction \$42.3M



Lake Okeechobee Program FY10 Work Plan Review

Key Projects and Activities:

- Hybrid Wetland Chemical Treatment (HWTT)-
\$3M



Nubbin Slough HWTT

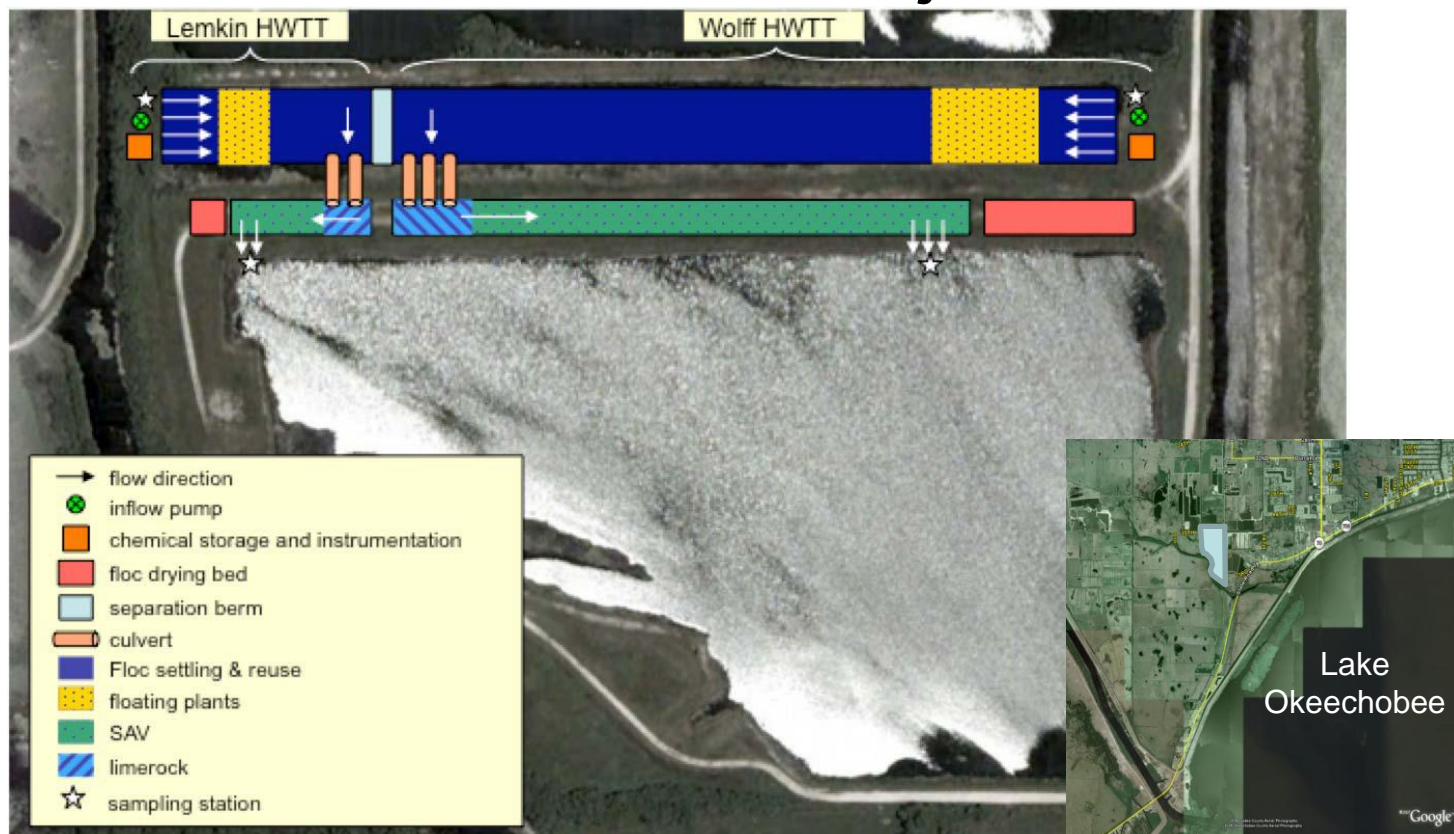


Mosquito Creek HWTT

Lake Okeechobee Program FY10 Work Plan Review

Key Projects and Activities:

■ Lemkin Creek Stormwater Project - \$1.8M



Lake Okeechobee Program FY10 Work Plan Review

Key Projects and Activities:

- Dispersed Water Storage Projects - \$1.4M
- Pearce/Moore Haven Canals - \$1M
- Herbert Hoover Dike Rehabilitation - \$400K





FY2010 Draft Work Plan Review

Regulation

Regulation Program FY10 Work Plan Review

Key Projects and Activities:

- Continue to review Environmental Resource Permit (ERP) and Water Use (WU) Permit Applications - \$12.5M
- Continue to conduct ERP and WU Compliance Inspections and take Enforcement Actions when necessary - \$3.47M
- Continue implementation of Agricultural Permitting Compliance Teams for both ERP and WU permits - \$280K



Regulation Program FY10 Work Plan Review



Regulation staff participating in a hydric soils workshop

Regulation Program FY10 Work Plan Review

Key Projects and Activities:

- Continue the processing of Construction Completion Certifications (CCC's) and continue to reduce backlog - \$1.4M
- Conduct technical review of 5-Year Compliance Reports submitted for WU Permits - \$360K





FY2010 Draft Work Plan Review

Kissimmee Watershed

Kissimmee Watershed Program FY10 Work Plan Review

Key Projects and Activities:

- **Condemnation acquisitions and settlements for land needed to complete Kissimmee River Restoration - \$25M**
- **Complete Phase II/III baseline restoration evaluation studies - \$590K**
- **Kissimmee Basin Modeling and Operations Study (KBMOS) - \$240K**
- **Three Lakes Wildlife Management Area Hydrologic Restoration Project - \$611K**



Kissimmee Watershed Program FY10 Work Plan Review

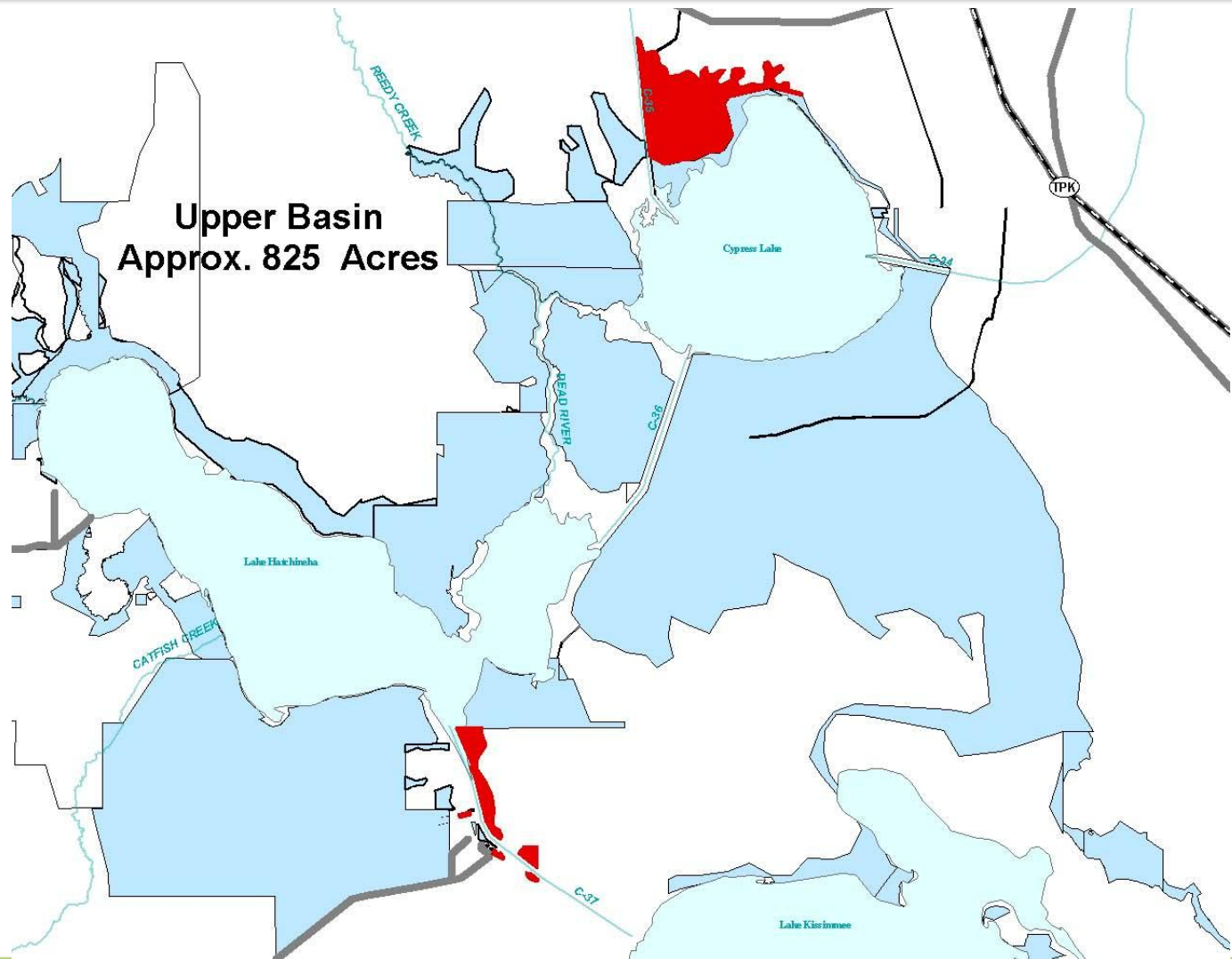


Backfilling C-38 Ph I

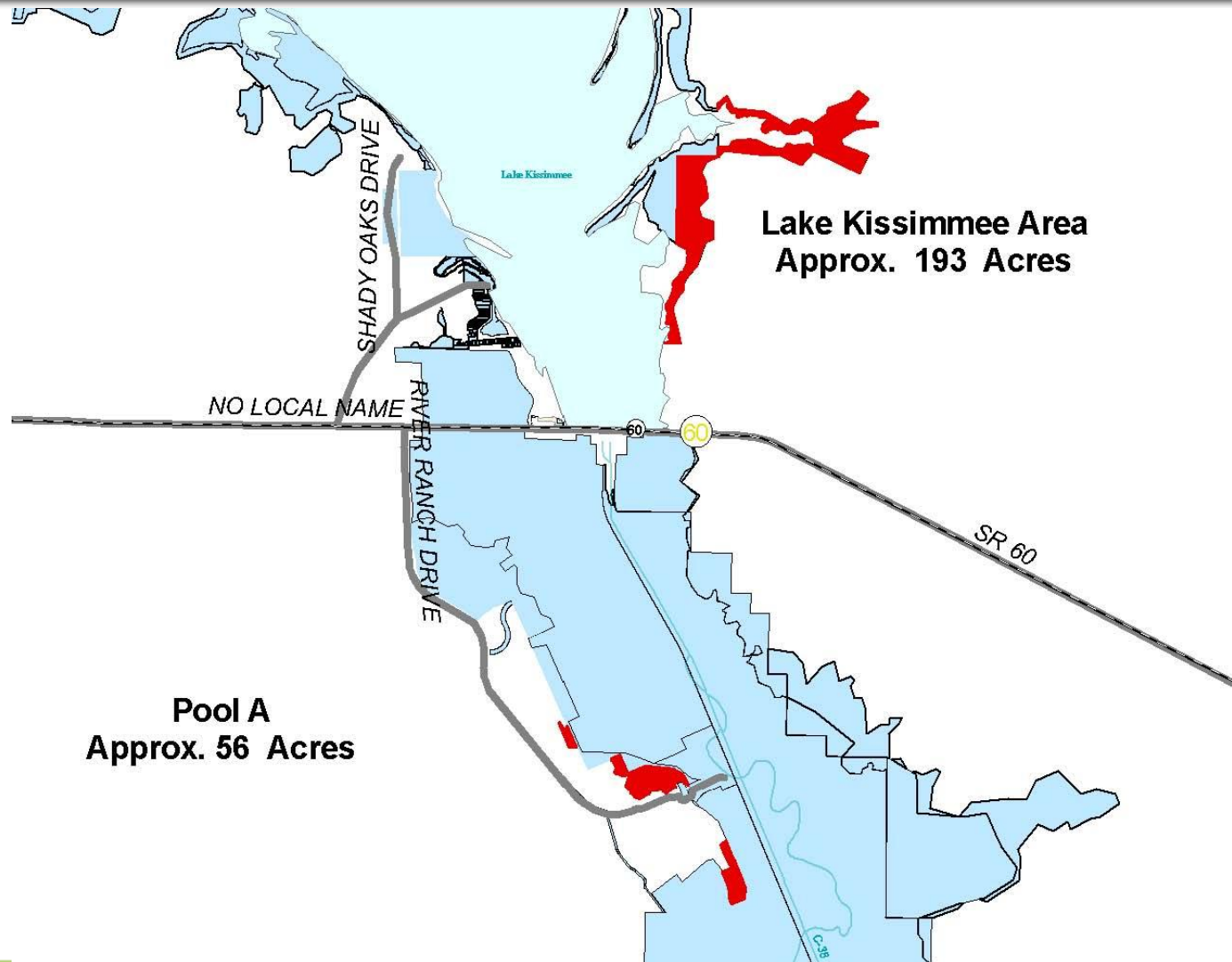


Restored Area

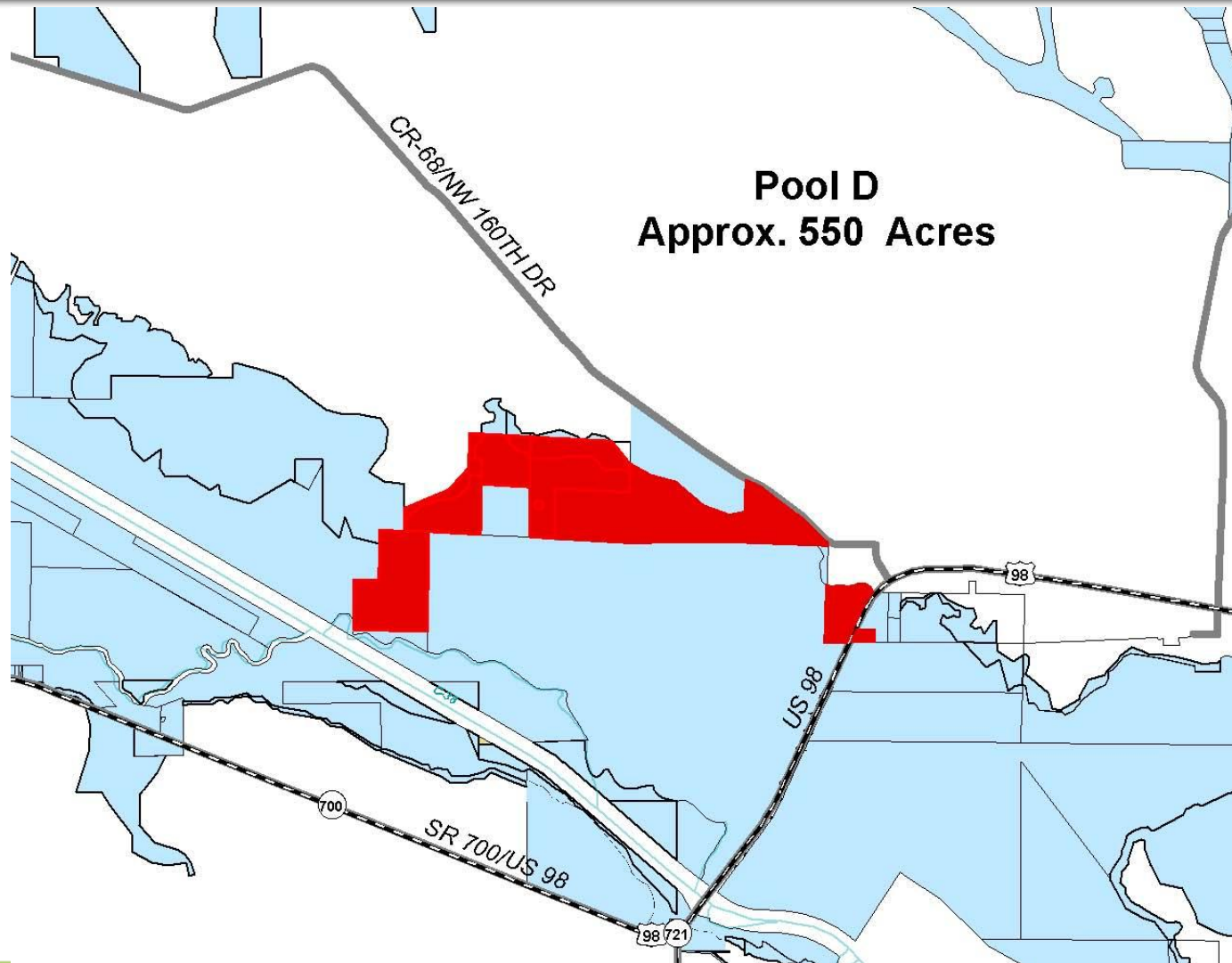
Kissimmee Watershed Program Outstanding Acquisition Requirement



Kissimmee Watershed Program Outstanding Acquisition Requirement



Kissimmee Watershed Program Outstanding Acquisition Requirement





FY2010 Draft Work Plan Review

Operations & Maintenance

Operations and Maintenance Program





FY2010 Draft Work Plan Review

Land Stewardship

Land Stewardship Program FY10 Work Plan Review

Loxahatchee Mitigation Bank



Land Stewardship Program
\$30.6 Mil
Payment of Property Taxes
Facility Maintenance which includes mowing





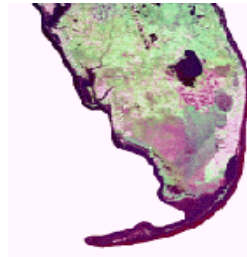
FY2010 Draft Work Plan Review

Mission Support

(MS-IT) FY2010 Work Plan Review

Key Projects/Activities Funded in Draft Budget:

- Land Use/Land Cover Mapping Update - \$270K



- Conversion of Data from VAX to SAP - \$100K



MS – Finance & Administration

Key Projects/Activities Funded in Draft Budget:

- **Building and Campus Maintenance - \$5.2M**
 - **Routine maintenance, utilities, and lease payments**
 - **Major Planned Projects**



Energy Improvement Projects



B-1 Reflective

A



Cooling
Improvements



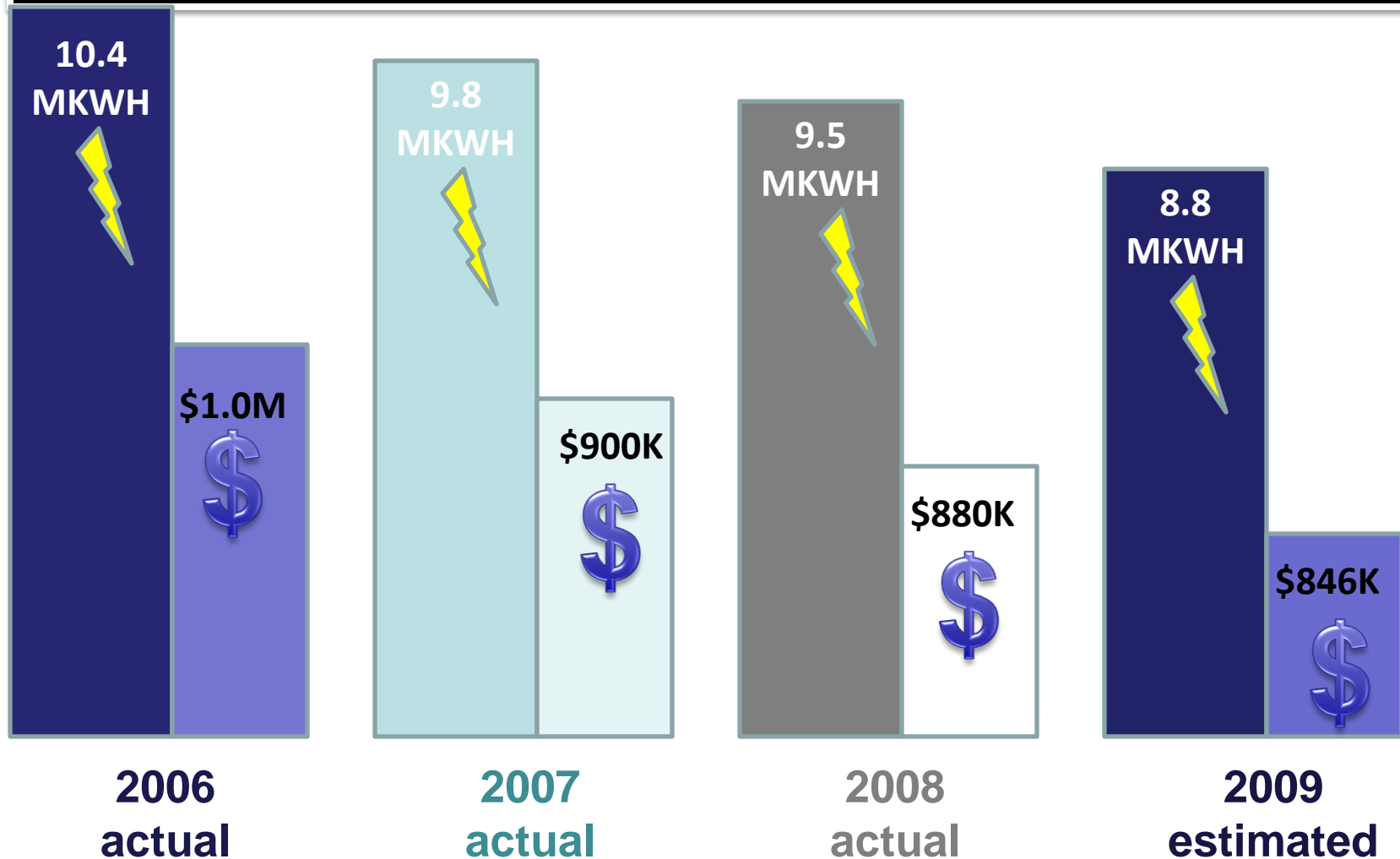
Building Chillers



High Efficiency Lighting Improvements

Going Green

Reduction in Headquarters KWH Usage





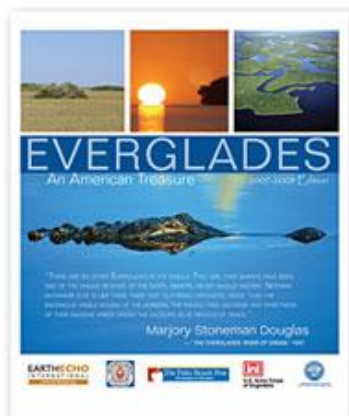
FY2010 Draft Work Plan Review

Government & Public Affairs

Mission Support: Government & Public Affairs FY10 Work Plan Review

Key Projects/Activities Funded in Draft Budget

- Public Information materials, Outreach and Community Partnerships: \$400K



NATURESCAPE

Mission Support: Government & Public Affairs FY10 Work Plan Review

Key Projects/Activities Funded in Draft Budget

■ Ad-Valorem Local Project Funding: \$14.0M

(District Ad-Valorem: \$8.1M / BCB Ad-Valorem: \$5.9M)



Pearce &
Moore Haven
Canal Dredging



Florida Keys
Local Projects

Marco Island
Outfall Retrofit &
Septic tank
Replacement






FY2010 Draft Work Plan Review

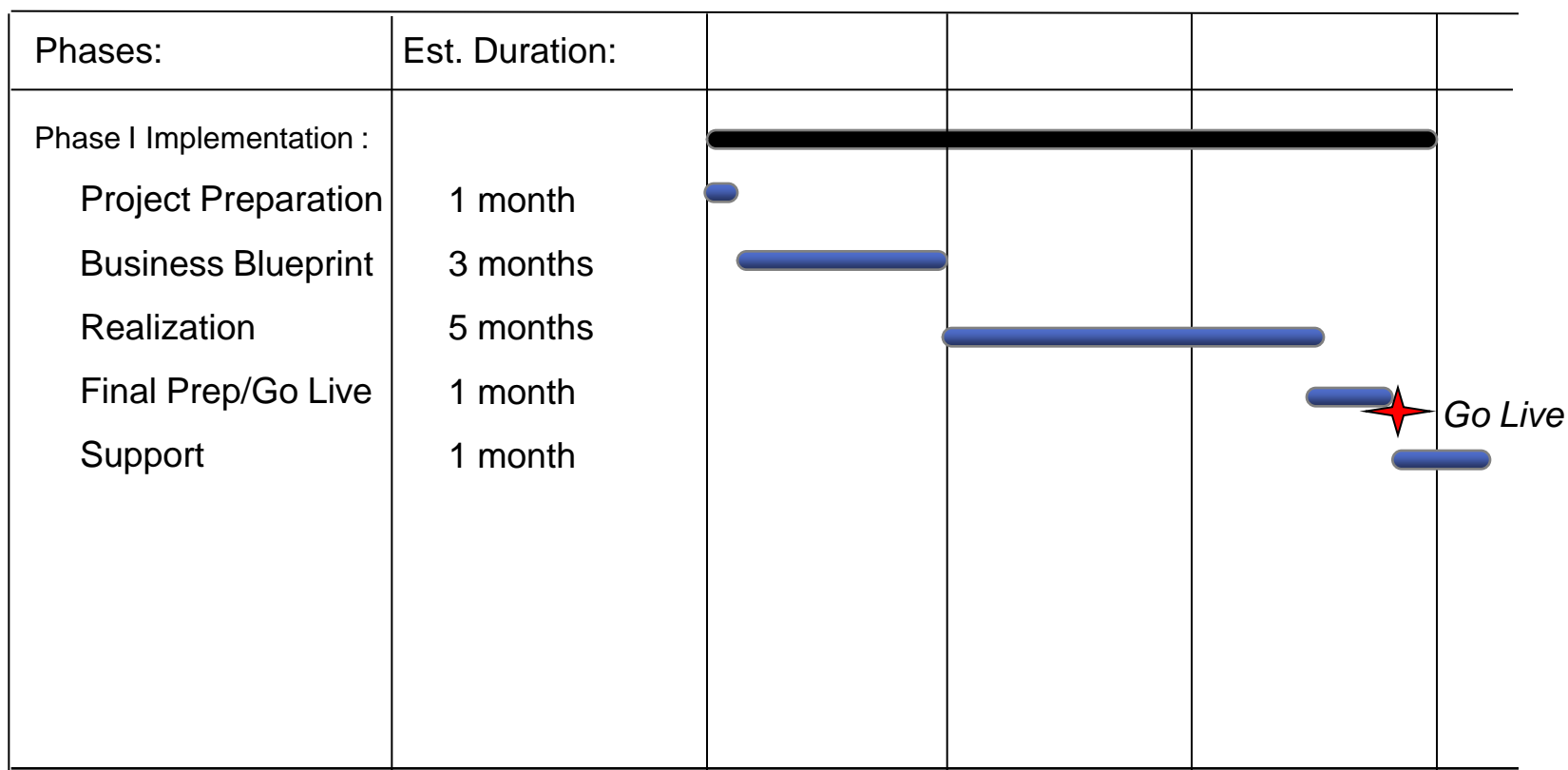
SAP

Contract Management Benefits

- 
- District's current contract management functionality has significant gaps:
 - User interface and process flows are counterintuitive
 - Contract document and amendments are created and managed outside the system
 - Workflows are difficult to maintain and do not support District business requirements
 - Supplier Relationship Management (SRM) project will:
 - Replace and/or enhance the existing functionality
 - Introduce an SAP tool that integrates with the District's existing SAP software
 - Establish a foundation that connects actual and targeted results to spending, multi-year planning and timely resource allocation


Timeline / Cost

High-Level Implementation Timeline



Estimated Duration: 11 months Estimated FY2010 Budget \$400K

Budget Module Benefits

- 
- **District's current budget development system:**
 - Does not link goals and objective to resource allocation and agency commitments
 - Hinders synchronization of the strategic planning process, the business cycle and operational processes
 - Is not integrated with the SAP system
 - **Public Budget Formulation (PBF) project will:**
 - Replace the existing Oracle budget development system
 - Reduce and compress sourcing cycle times
 - Manage contract compliance
 - Improve spend visibility and enable Plan Driven Procurement

Timeline / Cost

ID	PBF Project Schedule	Start	Finish	Duration	Q4 08			Q1 09			Q2 09			Q3 09			Q4 09			Q1 10			Q2 10
					Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
1	<u>Initiation</u>	10/1/2008	10/31/2008	4.6w																			
2	<u>Planning</u>	10/1/2008	10/31/2008	4.6w																			
3	<u>Execution</u>	11/3/2008	12/2/2009	56.6w																			
4	Analysis	11/3/2008	1/29/2009	12.8w																			
5	Design	2/2/2009	4/30/2009	12.8w																			
6	Prototyping & Conference Room Pilot	5/1/2009	12/2/2009	30.8w																			
7	<u>Deploy</u>	1/4/2010	2/26/2010	8w																			
8	<u>Closeout</u>	3/1/2010	3/30/2010	4.4w																			



- **Estimated Duration: 15 months**
- **Estimated FY2010 Budget \$945,000**



Reserve Level Discussion

Florida Reserve Statutory Guidance/Practices

- **County Governments** -- Statutory reserve cap not to exceed 10% of total budget
 - Implemented very differently across counties
 - Palm Beach County general fund contingency 9% of general fund budget
 - Miami-Dade County emergency contingency reserve is 3% of tax supported funds
 - Hillsborough County contingency and cash stabilization reserve is 6.4% of operating budget



Florida Reserve Statutory Guidance/Practices

- State of Florida – budget stabilization reserve of between 5% and 10% of general revenue
- GFOA – recommended practice of 5% - 15% of general fund revenues to address unexpected events
 - Or no less than one to two months of operating expenditures



Florida Reserve Statutory Guidance/Practices

Summary:

- A level of reserves consistent with governmental practices in Florida appears to be in the range of 5%-15% of either total budget or its primary revenue source (ad valorem taxes)
- Setting reserve levels is a balancing act
 - Plan for uncertainties and unforeseen events
 - Setting aside too much becomes a target




Current Levels

Our Existing Emergency Reserves -- \$66.9M or 14%-15% of estimated FY2010 ad valorem revenue

- **Contingency Reserves - \$23.1M**
 - Unexpected/unforeseen expenditure needs
 - Hurricane Response, Clean-up and Repairs
 - Operations/Fuel Wet Season Needs
- **Economic Stabilization Reserves - \$25.4M**
 - 5% prior year actual ad valorem revenues
 - Major emergencies; not recurring expenditures
- **Undesignated Balances Set-Aside - \$18.4M**
 - Checking account cushion



Staff Recommendations

- 
- **Keep contingency, economic stabilization, and undesignated balances intact at current levels for ongoing operations and emergency response**
 - **Seek Governing Board guidance on setting a debt service reserve in the amount of 1X annual debt service for the River of Grass purchase:**
 - **Borrowing funds**
 - **Utilize one-time cash balances**
 - **Don't establish a reserve**




Discussion

Governing Board Discussion/Guidance to Staff



Approval of Proposed FY2010 Millage Rates

Millage Rate Comparison



	Current FY09 Rates	Proposed FY10 Rates
District-at-Large	0.2549	0.2549
Okeechobee Basin	0.2797	0.2797
Everglades Constr. Project	0.0894	0.0894
Big Cypress Basin	0.2265	0.2265

- Consistent with multi-year projections previously presented for FY2010
- Not all counties received yet, so rolled back calculations not complete
- Will report as soon as calculations are available

Combined Millage Rates

Okeechobee Basin

Millage Rates

District-at-Large

0.2549

Okeechobee Basin

0.2797

Everglades Construction Project

0.0894

Total Combined Millage Rate

0.6240*

Big Cypress Basin

District-at-Large

0.2549

Big Cypress Basin

0.2265


Total Combined Millage Rate

0.4814*

** Represents about 62 cents and 48 cents per \$1,000 of taxable value*



Typical Home Example



Assessed Value	\$150,000
Less Homestead Exemption	<u>\$ 50,000</u>
Taxable Value	\$100,000
Okeechobee Basin @ 0.6240 mills	\$62.40
Big Cypress Basin @ 0.4814 mills	\$48.14

Staff Recommendation

APPROVE A RESOLUTION OF THE GOVERNING BOARD OF THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT ADOPTING PROPOSED FY2009-10 MILLAGE RATES FOR THE PURPOSE OF NOTIFYING COUNTY PROPERTY APPRAISERS FOR PUBLICATION ON TRUTH-IN-MILLAGE (TRIM) NOTICES; PROVIDING AN EFFECTIVE DATE



Next Steps

- 
- **July 30** **Submit August 1 State Budget Report**
 - **August** **Brief Governor's staff, legislative and DEP staff on proposed budget**
 - **Sept. 9** ***Tentative millage & budget public hearing
Adopt agricultural privilege tax roll***
 - **Sept. 23** ***Final millage & budget public hearing***